

**2010 ALP NEGOTIATIONS
CITY INITIAL PACKAGE PROPOSAL**

TERM

Term: July 1, 2010 – June 30, 2011

PAY

Effective June 27, 2010 all classifications represented by ALP will be reduced by 5.00%. This will result in the top and bottom of the range of all classifications represented by ALP being 5.00% lower. All employees will receive a 5.00% base pay reduction.

HEALTH INSURANCE COST SHARING

See Attached (City Proposal #3)

HMO PLAN DESIGN

See Attached (City Proposal #4)

HEALTH INSURANCE DUAL COVERAGE

See Attached (City Proposal #5)

HEALTH INSURANCE- HEALTH IN LIEU

See Attached (City Proposal #6)

SICK LEAVE PAYOUT

See Attached (City Proposal #7)

MEDICAL VERIFICATION

See Attached (City Proposal #8)

RETIREMENT COST MITIGATION

See Attached (City Proposal #9 & #10)

DISABILITY LEAVE SUPPLEMENT

See Attached (City Proposal #11)

INELIGIBILITY IF OFFER AND DECLINE OF MODIFIED DUTY

See Attached (City Proposal #12)

**2010 ALP NEGOTIATIONS
CITY INITIAL PACKAGE PROPOSAL**

VACATION

See Attached (City Proposal #14)

HOUSEKEEPING

See Attached (City Proposal #15)

ADDITIONAL 5% TOTAL COMPENSATION REDUCTION

Additional 5% reduction (TBD)

** This proposal is submitted in an attempt to reach a settlement. In the event the proposal is not accepted, the City reserves the right to modify, amend and/or add proposals.*

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #3 – HEALTH INSURANCE* COST SHARING FORMULA

Each employee may select from one of four available plans. The City pays 90% of the cost of the lowest priced plan for the employee or the employee and dependent coverage and the employee pays 10% of the premium for the lowest priced plan up to a maximum of \$150 per month.

Effective the first pay period of payroll calendar year 2009, the City pays 90% of the cost of the lowest priced plan for the employee or the employee and dependent coverage and the employee pays 10% of the premium for the lowest priced plan.

Effective June 27, 2010, the City will pay eighty percent (80%) of the full premium cost of the lowest cost plan for employee or for employee and dependent coverage and the employee will pay twenty percent (20%) of the premium for the lowest priced plan for employee or for employee and dependent coverage. If an employee selects a plan other than the lowest priced plan, the employee shall pay the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan for employee or for employee and dependent coverage.

If the employee selects a plan other than the lowest priced plan, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan.

** Reimbursement/contribution is prorated for part-time employees based on hours scheduled:*

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #4 – HMO PLAN DESIGN

Effective July 1, 2010, co-pays for all available HMO plans shall be as follows:

- a. Office Visit Co-pay shall be increased to \$25
- b. Prescription Co-pay shall be increased to \$10 for generic and \$25 for brand name
- c. Emergency Room Co-pay shall be increased to \$100
- d. Inpatient/Outpatient procedure co-pay shall be increased to \$100

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #5 – ELIMINATION OF DUAL COVERAGE

HEALTH INSURANCE

An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee.

DENTAL INSURANCE

An employee may not be simultaneously covered by City-provided dental benefits as a City employee, and as a dependent of another City employee.

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #6 – HEALTH AND/OR DENTAL IN LIEU

The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have alternative health and/or dental insurance coverage to drop the City's insurance and receive a payment in lieu.

An employee may choose, during open enrollment or within thirty days of a qualifying event, to drop health and/or dental coverage and receive a payment in lieu equal to one-half of the City's contribution toward health and/or dental coverage. To qualify, the employee must prove acceptable alternate group coverage and work 35+ hours/week the following per payperiod.

	Health in-lieu	Dental in-lieu
If eligible for family coverage	\$150	\$10
If NOT eligible for family coverage	\$50	\$10

An employee who is already receiving other City provided medical benefits is not eligible for payment in-lieu.

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #7 – SICK LEAVE PAYOUT

Members of the Federated Retirement System who retire with at least twenty-five (25) years of service are eligible to receive, upon retirement, directly from City service payout for a portion of their unused earned sick leave at the rate of:

Accrued Sick Leave Hours

Sick Leave Payout

0 – ~~399~~ 800 Hours

50% of final hourly rate

~~400 – 799~~ Hours

~~60% of final hourly rate~~

800 – 1,200 Hours

75% of final hourly rate

Employees are only eligible for one sick leave payoff while employed by the City of San Jose, including breaks in employment.

Employees who separate from City service on or before June 27, 2010, and who have 15 years of service, shall be eligible for a sick leave payout at the rate that is available, as specified above.

Employees hired by the City on or after June 28, 2010, shall not be eligible for a sick leave payoff benefit.

If employee's balance is greater than 1,200 hours, employee is also eligible for a payout of 75% of the value of sick leave in excess of 1,200 hours that is earned but unused during the two (2) years prior to retirement.

*Part-time and temporary employees **are not eligible** for this benefit.*

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #8 – MEDICAL VERIFICATION

Proposed Language

Any time an employee is required to report to work and is unable to report due to illness or injury, an employee may be required to furnish medical verification or other substantiation for any such absences.

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #9 & #10 – RETIREMENT COST MITIGATION

Retirement Cost Mitigation

The parties agree to commence meeting and conferring within fifteen (15) calendar days of the City providing written notice to ALP on retiree healthcare benefits for future employees and pension benefit/costs for current and future employees.

The parties intend to engage in the foregoing negotiations in a coalition bargaining process with all other interested represented bargaining units, if any. However, negotiations between the City and ALP shall commence no later than fifteen (15) calendar days after the City provides written notice to ALP with or without participation of any other bargaining unit. The City and ALP shall negotiate in good faith in an effort to reach a mutual agreement.

If no agreement is reached, the parties will follow the impasse procedures set forth in the City of San Jose's Employer-Employee Relations Resolution (#39367) and the Meyers-Milias-Brown Act. The parties understand that this means that, notwithstanding any other provision of this agreement, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #11 – DISABILITY LEAVE SUPPLEMENT

If required to be absent from work due to a work related illness or injury, employees may receive a supplement which, when added to the Workers' Compensation Temporary Disability, equals ~~66~~85% of the employees' base salary, up to a maximum of ~~nine~~six (69) months (274-183 days or ~~4560~~1,040 hours if used intermittently).

*Part-time and temporary employees **are not eligible** for this benefit.*

CITY PROPOSAL #12 – INELIGIBILITY IF OFFER AND DECLINE OF MODIFIED DUTY

Proposed Language

An employee shall be voluntarily separated from City service if the City offers the employee employment at identical or similar rate of pay, within the employee's medical limitations, and the employee refuses or fails to accept duty for which he or she is physically qualified.

*Part-time employees **are not eligible** for this benefit.*

2010 CITY OF SAN JOSE – ALP NEGOTIATIONS

CITY PROPOSAL #14 – VACATION

Vacation accrues at the following rates for each paid hour (either worked or paid absence):

Years of Service	Hourly Rate	Annual Hourly Accrual (Full Time)
1 – 5	.05875	120 hours
6 – 14	.07750	160 hours
15+	.09625	200 hours

Employees may only accrue vacation up to a maximum of two (2) times their annual accrual rate. Once an employee reaches their maximum accrued vacation limit, the employee will not accrue vacation until their vacation balance falls below the maximum limit.

Years of Service	Maximum Accrued Vacation
1 – 5	240 hours
6 – 14	320 hours
15+	400 hours

CITY PROPOSAL #15 – HOUSEKEEPING

RETIREMENT

Full-time eligible employees are members of the Federated City Employees' Retirement System. The City and employee contribute a percentage of base salary for retirement benefits. Contribution rates are established by the Federated City Employees' Retirement System Board. ~~Effective June 29, 2008, the City will contribute 23.56% of base salary to the employee's retirement fund, and the employee contributes 8.93% of base salary.~~